

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 92-271-C - ORDER NO. 93-280

MARCH 24, 1993

IN RE: Application of United Telephone    ) ORDER APPROVING  
Company of the Carolinas to Avail    ) FILING WITH  
Itself of Incentive Regulation.    ) MODIFICATION

This matter is before the Public Service Commission of South Carolina (the Commission) on United Telephone Company of the Carolinas' (United's or the Company's) request for approval of its proposal to reduce its earnings to the benchmark return of 12.50% established by the Commission in Order No. 92-1060 (January 29, 1993). In Order No. 92-1060 the Commission determined that United was earning more than 12.50% on its regulated operations and ordered United to submit a proposal to reduce its earnings to the benchmark return of 12.50% before the Company would be authorized to operate under incentive regulation.

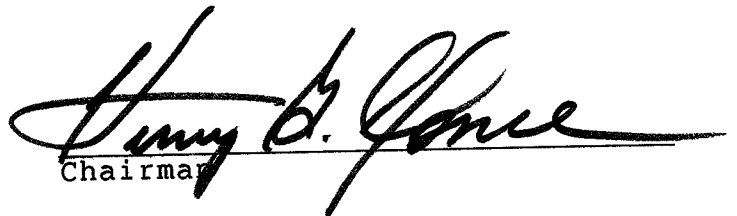
United's proposal results in an annual revenue reduction of \$650,316. Specifically, United proposes to reduce its zone mileage charge to \$1.25, thereby reducing service revenues by \$208,329. Further, United proposes to reduce its premium terminating carrier common line charge to \$.089679/minute of use and to reduce its non-premium terminating carrier common line charge to \$.040356/minute of use. This reduction results in \$248,788 less

revenue for the Company. Finally, the Company proposes to accelerate the amortization of its existing Ridgeland Central Office. This accelerated amortization will reduce United's annual revenues by \$193,199.

The Commission has reviewed United's proposal to reduce its earnings by \$650,316 to meet the established benchmark. The Commission concludes that the Company's proposal should be and is hereby approved with the following modification: of the \$248,788 reduction in revenues acquired through the reduced terminating carrier common line charge, \$82,162 shall be used to eliminate compensation on intraLATA traffic carried by interexchange carriers in United's service territory and the balance of \$166,626 shall be used to reduce terminating carrier common line charges. Within twenty (20) days of this Order, United is directed to file tariffs in compliance with the terms of this Order.

IT IS SO ORDERED.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)